

WEEKLY ECONOMIC REVIEW

June 15, 2007

The cost of new housing in Alberta jumped 2.3% in April following the slight increase posted in March. New house prices increased by 2.8% in Edmonton and 2% in Calgary. This was the result of high costs for materials and labour, high demand and extended construction periods. Year-to-date, Alberta's new home prices have increased by 31.6%.

As a result of increases in the Western provinces offsetting the declines in the Atlantic provinces, national new home prices were up 0.6% in April. So far this year, prices increased 9.2%.

A stronger Canadian dollar contributed to a decline in national manufacturing shipments, which decreased by 0.6% in April.

Alberta's manufacturing shipments posted another decline in April (-0.2%) after they fell 0.1% in March. Overall, shipments declined in 8 out of 13 industries. Larger drops occurred in transportation (-14.1%) and non-metallics (-18%), but were almost offset by a strong increase in primary metals (30.1%).

Sales of new vehicles in Alberta slumped 3.5% in April, after a 6% gain in March; however, the level remained high. In Canada, new motor vehicle sales were up 6.9% in April as a result of increased sales of North American-

Cdn Dollar (US¢/CS)



June 15, 2007	93.6
June 8, 2007	94.1
2007-08	90.7

WTI Oil US\$/bbl



June 14, 2007	\$67.65
June 7, 2007	\$66.93
2007-08	\$64.21

Nymex Natural Gas CS/mcf *

April Contract



June 15, 2007	\$8.38
June 8, 2007	\$8.23

*Estimate based on Nymex Futures Market Price

built passenger cars and trucks.

U.S. CPI increased 0.7% in May, bringing the year-over-year inflation rate up to 2.7%. The increase resulted from higher prices in transportation (2.8%) and energy (5.4%). Core inflation was up 2.2% year-to-date.

The number of U.S. homeowners who face possible eviction because of late mortgage payments rose to an all-time high in the first quarter of 2007. Subprime loans entering foreclosures rose to a five-year high of 2.43%.

Oil prices increased to US\$67.75/bbl on Thursday, their highest level in nine months. Concerns that the refining industry was not producing enough gasoline to meet summer driving demands lifted the price.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date ¹
New House Price Index (1997=100)	April			
Alberta	243.9	2.3%	26.2%	31.6%
Canada	160.2	0.6%	8.2%	9.2%
Manufacturing Shipments (\$ Millions)				
Alberta	5,527	-0.2%	4.3%	2.6%
Canada	49,653	-0.6%	1.8%	-0.1%
New Motor Vehicle Sales				
Alberta	21,578	-3.5%	7.1%	7.3%
Canada	147,042	6.9%	7.4%	2.2%
Consumer Price Index (1982-84=100)	May			
United States	207.4	0.7%	7.4%	2.2%

Source: Statistics Canada

¹Year-to-date '00' compared to the same period in 2006